

LNF & IHCIF Calculations Illustration **- CROW CREEK in Aberdeen area -**

Given Data

- 3,684 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 36% = % Expenditures on purchased services, 64% = % expenditures in-house
- 91.9% = Cost index for purchasing health care in this geographic area
- 117.0% = Size cost index for in-house costs due to small or large size
- 108.7% = Aberdeen area cost index for health status above or below average

Cost Adjustment Calculations

- \$988 per person for purchased services = $36\% * 91.9\% * \$2,980$
- \$2,229 per person for in-house services = $64\% * 117.0\% * \$2,980$
- \$3,217 per person total = \$988 (purchase) + \$2,229 (in-house)
- **\$3,498 per person total** adjusted for health status = $\$3,217 * 108.7\%$
- **\$2,753 per person net cost** = $\$3,498 - \745 Other resources (M&M&PI)

Existing Expenditures (for 3,684 users excluding wrap-around and collections)

- \$1,237 per person = local IHS allowance (excludes \$ for wrap-around)
- \$203 per person = expenditures elsewhere in Aberdeen area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,494 per person for OU users** = $\$1,237 + \$203 + \$54$

LNF Calculation

- **42.7% Gross LNF** = $\$1,494$ (expenditures) / $\$3,498$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **54.3% Net LNF** = $\$1,494 / \$2,753$ net cost ($\$3,498 - \745 other)

IHCIF Allocation

- \$579,068 = \$ to raise LNF% from 54.3% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$20,198 Allocation** = $\$579,068$ needed for 60% * 3.488% IHCIF fraction

CROW CREEK Unmet Needs

- **\$10,140,499 Net Total Need** = $3,684$ users * $\$2,753$ net cost
- **\$4,635,268 Net Unmet Need** = $(100\% - 54.3\% \text{ LNF}) * 3,684$ users * $\$2,753$ net cost